Foreign Agricultural Service

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Global Agriculture Information Network

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Market Brief - Product

Belgium-Luxembourg: Vegetarian Foods in Belgium, The Netherlands & Luxembourg.

BACKGROUND TO THE REGION

EUROPEAN UNION

Since its foundation, the EU has grown from its original six members to 15 member states. These are: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Luxembourg, Italy, Portugal, Spain, Sweden, the Netherlands and the United Kingdom.

A major objective of the European Union is to create a single market. Harmonization of legislation is an important component of the single market. The legislation is made up of regulations and directives. Regulations must be adopted by each Member State while directives must be transposed into each member state's own national legislation. The harmonization of food legislation is not yet completed and this means that exporters into Europe always have to check their product formulation and labeling for compliance with national legislation in the member state they are considering exporting to. Also, when exporting to Europe you will have to realize that despite the cooperation within the European Union, the member countries remain very different, e.g. languages, ways of doing business, culture, taste, etc.

BENELUX

Belgium (capital: Brussels), the Netherlands (capital: Amsterdam) and Luxembourg (capital: Luxembourg city) are three independent European countries, situated in the northwestern part of Europe. All three countries are member states of the European Union and they have a superficial cooperation in the so- called Benelux. This Benelux may be seen as a predecessor of the European Community that was founded in 1957. The name Benelux is nowadays also often used as a geographic indication. The cooperation between Belgium and Luxembourg is somewhat deeper because these two countries have a monetary union. All three countries are monarchies with a parliamentary democracy. Belgium is a federation consisting of three parts: Flanders (Dutch speaking), Wallonia (French speaking) and the Brussels region.

Until the introduction of the Euro, the new currency for the European Union which is expected to be in place in 2002, the Benelux countries will use their own currencies: the Dutch Guilder, the Belgian Franc and the Luxembourg Franc. In this market brief the values as of January 15th , 1998 are used: 1 Hfl = 0.487 US $ and 1 Bfr / 1 LFr = 0.0263 US $.
The countries have a legal system of their own which is partly harmonized within the regulations of the European Union.

Europeans speak many different languages. The people in the Netherlands speak Dutch. Many Dutch also speak one or more other languages, e.g. English, German or French. Belgium has formally three official languages: In the North and West of the country (this part is called Flanders) Flemish is the mother tongue, a Dutch dialect. In the south and east people speak French. In the east there is a small part of the country where German is the official language. The Luxembourg population speaks a dialect which is a mixture of the two official languages in this small country: French and German. The Benelux is no homogeneous block, especially as regards cooking traditions, buying patterns etc. Success in the Netherlands is no guarantee for success in Belgium/Luxembourg, and vice versa.

BELGIUM AND LUXEMBOURG

Demographic Characteristics

The total population of Belgium is 10.2 mln persons. There are 331 Belgians per km2. Of the 4.2 mln households, 1.1 mln are single persons. This number is expected to grow due to population aging, children leaving the home earlier and increasing divorce levels. Average household size is 2.5 persons. The largest cities are Brussels (1 mln inhabitants), Antwerp (500,000) and Gent, Charleroi, Liege (all approximately 200,000). Brussels is also the capital of the European Union.
Luxembourg is a mini-state (Duchy) with about 500,000 inhabitants, most of whom live in and around Luxembourg City.

Economic Developments

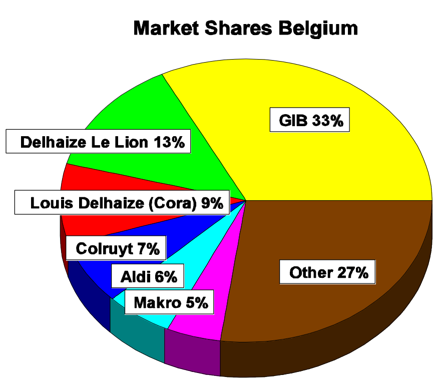
The Belgian economy grew 1.6% in 1996. However, disposable income actually decreased by 0.6%. Unemployment is a major problem, with 12% of the work force out of a job. Inflation is increasing slightly, now at around 2.1%.

The percentage of disposable income spent on food has continued to fall, from 23.7% in 1975 down to 16.3% in 1995. However, total foods expenditure grew by 29% between 1988 and 1995.

Belgian Retail Structure

Smaller retailers have declined drastically. (From 16,668 stores in 1980 down to 10,325 stores in 1996.)
Winners have been the large supermarket chains dominated by GIB (511 stores), Delhaize 'Le Lion' (243 stores), Louis Delhaize (833 stores) and Colruyt (132 stores).
The continued growth of discount stores, such as Aldi, has also been remarkable, with the growth of their share between 1980 and 1996 measured at 77% (source: Distributie Vandaag).

In **Luxembourg**, the most important retailers are Match (13 stores, 40% share) and Cactus (16 stores, 40% share). French retailer Auchan is developing a presence in Luxembourg.
French retailers, such as the very aggressive Intermarché, are expected to increase their presence strongly throughout Belgium and Luxembourg.



THE NETHERLANDS

Demographic Characteristics

The total population of the Netherlands is 15.5 mln persons. It is a country with a very high population density, 455 inhabitants per km2. The western part of the Netherlands with the cities of Amsterdam, Rotterdam, The Hague and Utrecht can be seen as one urban region.
The most important demographic trends in the Netherlands are:
* The population will grow steadily towards 17.6 mln in 2035
CAverage household size is becoming smaller (43% 1 or 2 persons households)
* More elderly people (13% older than 65)
* Percentage of people with high level education (university/technical college) is growing (20% in 1980, 30% in 1996).

Economic Development

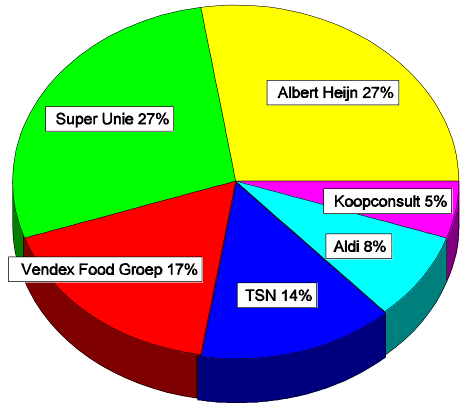
The Dutch economy is flourishing. The growth of national income has been 2.5 to 3% per year since 1994. Average buying power has been growing since 1991 at slightly less than 1% per year. Inflation has been at a level of approximately 2.5% since 1993. Private consumption grew in 1995 and 1996 by about 2%. Unemployment is decreasing so fast that there are emerging concerns that the economy may overheat.

In 1985 42% of consumer expenditure was spent via retail. In 1994 this had fallen to 36%. Nevertheless in the same period total sales in food grew from $ US 25.9 bln to $ US 30.3 bln.

Dutch Retail Structure

Holland has a high density of supermarkets with relatively small floor space. There are only a few hypermarkets or superstores. The Dutch supermarket sector is dominated by Albert Heijn (640 stores) with a market share of 27.2%. The Albert Heijn holding company, Ahold, also holds a majority stake in Schuitema n.v. After a period of concentration, 98% of the market is now in the hands of 6 major buying groups. However, members of these buying groups do retain some buying-decision making authority.

Market Shares in The Netherlands



(Source: GFK)

Super Unie		**Vendex Food Groep**		**TSN**	
De Boer/Unigro	10.9 %	Edah	8.1 %	C1000	8.5 %
Hermans	2.7 %	Basismarkt	1.3 %	Spar Schuitema	1.2 %
Other Super Unie	13.9 %	Konmar	2.7 %	Other Schuitema	0.8 %
Total Super Unie	**27.5 %**	Total Vendex	12.4 %	Total Schuitema	10.5 %
		Markant	3.6 %	Plusmarkt	2.6 %
		Total Radar Food	4.3 %	Total Sperwer	3.1 %
		Total Vendex Food	**16.7 %**	**Total TSN**	**13.6 %**

News Flash: Key Findings

C * Vegetarian Foods market is currently enjoying strong growth (15-20% per year)
C * Dutch market is the most developed (approximately $25 mln). Belgian and Luxembourg markets also undergoing distribution driven growth. (approximately $5 mln.)
C * Chilled meat substitute meal components currently represent 90% of the market.
* First US manufacturer spotted in the market is MORNINGSTAR FARMS, distributed via Unigro and imported by Q-Linesse.
* Market is driven by Israeli producer TIVALL working in partnership with Dutch leading retailer ALBERT HEIJN and in Belgium through No. 2 retailer DELHAIZE.
* Key to market growth is not vegetarians, but increasing number of part-time vegetarians.
* Dutch Government has started a major research program to develop Novel Protein Foods, aiming at 38% market share within the meat market by the year 2035!

Market Definition

Benelux consumers define vegetarian Foods in diverse ways, many regarding fish-consumption as consistent with vegetarianism. We have defined the market as being made up of products where meat proteins have been consciously substituted with vegetarian alternatives.

Vegetarian Product Groups in the Benelux

bouillon
soup (dry and liquid)
dry soy products (ground meat and pieces)
sandwich spreads and pastes
seitan
tofu and tempeh
meat substitutes (tinned)
meat substitutes (chilled and frozen)
snacks
ready meals in glass jars
cheese

Most Important Manufacturers/Suppliers

* TIVALL: Imported from Israel by the Dutch importer Schoenmakers b.v. The UK office of TIVALL handles marketing for Europe; the Dutch office handles sales. Strong product innovation track record, first with Albert Heijn in Holland and now Delhaize in Belgium. Most important products are meat-ball substitutes, burgers and cordon bleu. Recently launched high quality meat-pieces substitute line, more strongly branded and marketed than past introductions. Sales via chilled section, in complete contrast to UK, where TIVALL mainly sells frozen foods.

* MARLOW FOODS UK: Brand QUORN. Increasingly strong distribution in both Belgium and Netherlands, sold via the Food from Britain organization. Based on developed fungus and supported by large promotional budgets. Started private label cooperation with GB in Belgium.

* BAKKER LEKKERKERK: Meat supplier that sells vegetarian product range VIVERA. Similar to Tivall range, but sold in other chains in the Benelux. Good distribution, but little promotional support for the range.

* DE VUURDOOP: Dutch-based organic frozen vegetarian foods manufacturer. Sells via health Food store channel. Exports to France as well as Belgium and Luxembourg.

* HEUSCHEN & SCHROEFF: Dutch-based tofu manufacturer (brand: Tofu Time). Because of Holland's historic connections with Indonesia, tofu has been an important product since the war. Sales are growing because of demand from part-time vegetarians as well as demand for Indonesian dishes.
* BOEKOS: meat manufacturer that makes private label line for health store wholesaler Natudis under brand name VETARA. Recently launched own VEGETURA brand for supermarkets.

* ROSS YOUNG: UK manufacturer recently experienced ‘flop’ of it’s LINDA McCARTNEY frozen foods line in the Netherlands.

* There are no large Belgian manufacturers of vegetarian products. ALPRO, owned by the Belgian family-owned company Vandemoortele n.v., is a very important European supplier of soy milk products. ALPRO uses the brand name PROVAMEL for products distributed through health food stores. Recently, ALPRO introduced a limited line of vegetarian burgers (not chilled) under the Provamel brand.
LIMA is an important Belgian organic and health food company. The brand, which is distributed in many countries, is owned by wholesaler Nonkels Reformwaren n.v. Although not produced by LIMA, the company also markets vegetarian foods under it’s brand name..

Consumer Attitudes

Consumer attitudes toward meat consumption have been influenced by the barrage of negative publicity in recent years, especially BSE in beef, salmonella in chicken and swine fever in the Netherlands. The swine fever outbreak in particular has brought the conditions endured by pigs living in intensive farms to public attention. A move towards free-range meats runs parallel to the development of the vegetarian foods business.
In Belgium, consumers have been alarmed by the illegal use of hormones by farmers.
Research shows that the following factors account for the development of the vegetarian foods market:
* fear of meat in general
* perceived health benefits of eating vegetarian products
* variety
* animal welfare
* availability (increased distribution and merchandising leads to strong impulse-buying).

Those who continue to eat meat with every meal do this because of:
* preference for meat
* force of habit
* unfamiliarity with vegetarian foods
* dislike of vegetarian foods

25% of Dutch consumers now claim to be at least part-time vegetarians, which has resulted in a dramatic shift in eating habits. In Belgium it is estimated that only 5% of the population are part-time vegetarians but that this group is growing. Recent increased distribution in leading supermarket chains Delhaize and GB-Inno is expected to provide a further growth push as Belgian consumers experiment with vegetarian foods.

Part-time vegetarians claim they would eat even more vegetarian products if they were:
* tastier (by which they mean less mealy in texture and less bland in taste)
* more authentic (there is therefore room for products that do not imitate meats, but have their own identity)
* more clear nutritional benefits (part-time and full-time vegetarians are concerned about protein

intake and mineral intake, especially iron)

In the Netherlands, vegetarianism is more strongly developed than in Belgium. Approximately 3% of the Dutch population are full-time vegetarians. (Vegetarian Society estimates are higher, at around 4%). In Belgium, even the Vegetarian Society concedes that membership growth is slow and more limited than in the Netherlands; about 1% of the Belgian population are vegetarians.

Examples of Specific Product-Price Positioning

THE NETHERLANDS

	Brand	Product	Weight	Price
Chilled				
Ingredients	QUORN	pieces	175gr	$2.42
	TOFU TIME	natural tofu	375gr	$1.16
	TEMPEH		450gr	$1.94
Meal Components	TIVALL	schnitzel	110gr	$0.90
	TIVALL	maize burger	154gr	$1.33
	VIVERA	spicy burger	378gr	$2.11
Snacks	TIVALL	varied snacks	174gr	$1.64
Bread Topping, etc.	TIVALL	pain de Provence	105gr	$1.38
	TIVALL	paté	120gr	$1.21
Dry Groceries				
Ingredients	WHITE WONDER	seitan	330gr	$2.64
Meal Components	VETARA	Chili sin Carne	360gr	$1.92
Snacks	VETARA	frankfurters	126gr	$1.70
Bread Topping, etc.	TARTEX	paté	120gr	$2.41
Frozen				
Ingredients	none found			
Meal Components	LINDA McCARTNEY	provencale sausages	300gr	$2.23
Snacks	VETARA	meat balls	360gr	$3.30

BELGIUM

Chilled	Brand	Product	Weight	Price
Ingredients	QUORN	pieces	175gr	$2.87
	QUORN	ground	175gr	$2.79
Meal Components	DELHAIZE	schnitzel	110gr	$0.91
	QUORN	fingers	1 kg	$12.25
	VIVERA	spicy burger	1 kg	$9.44

Distribution

In the Netherlands, Albert Heijn is the absolute market leader in vegetarian products, especially meat substitutes. The following brands can be found at Albert Heijn: Tivall/AH (co-branding), Quorn and Linda McCartney. Albert Heijn's market share is estimated at 70%. Tivall is not sold in any other supermarket chain in the Netherlands. Most other chains carry the brands Vivera and Quorn for meat substitutes. Most supermarkets sell sliced meat delicacies (substitutes by Tivall or Vivera) and also chilled Tofu (brand Tofu Time) and Tempeh.

Apart from the supermarket channel the following specialty shop types are relevant in the Netherlands: natural food shop, and health Food shop.
In natural food shops ('natuurwinkels')(about 250 in the Netherlands) organic food, some health food and also special diet food items can be found. Most vegetarian food sold in these shops also is organic.
The health food shops ('reformwinkels') (also about 250 in the Netherlands) are the real specialists in health food. They carry a small assortment of food, also vegetarian.
One wholesale company (Natudis, Harderwijk) dominates the category management and physical distribution in the health Food shops and natural food shops. Private labels of this wholesale company, like Natufood, Molenaartje, Vetara, Ekoland and VNR are dominant labels in these specialty shops.

The retail management of the natural food franchise chains Natuurwinkel (40 shops) and Gimsel (30 shops) is also located at the Natudis head office, as is the management of the voluntary chain in health Food VNR (180 members). In the specialty shops in the Netherlands the vegetarian brands Vetara (Natuproducts), Tartex (Nestle) and De Vuurdoop are important. The Vetara brand contains not only meat substitutes but also products like meals in jars and gravy powder.

In Belgium the assortments in supermarkets are far smaller than at Albert Heijn in the Netherlands. The market leader in vegetarian products is Delhaize 'Le Lion', followed by GIB. GIB carries the brands Vivera (7 items) and Quorn (7 items). GIB plans to introduce tofu in the near future. Delhaize started up a co-operation with Tivall and with Quorn. The Tivall products have the private label 'Delhaize'. The Quorn products are co-branded Quorn / Delhaize. At Colruyt we have only found Quorn (5 items) and Ringis (1 item), a Colruyt private label.
The number of natural food shops and especially health food shops in Belgium is smaller than in the Netherlands. Estimates are that there are 150 important organic food shops and 100 relevant health

food shops in Belgium and Luxembourg. In addition, there are many small mom-and-pop stores. Examples of important specialty shop vegetarian brands are LIMA, Tartex and Vetara.

Opportunities in Vegetarian Foods

Because the market is largely chilled foods, the main obstacle for ready products are logistics. However there are opportunities for frozen foods concepts and ambient vegetarian concepts, if sufficiently well marketed and supported to Because the market is largely chilled foods, the main obstacle for ready products are logistics. However there achieve trust with the trade and to establish a consumer franchise. Besides this, there are important opportunities in vegetarian ingredients, especially in the so called Novel Protein Foods.

Important Food Fairs

ROKA, Utrecht, Netherlands (food)	March 8-11, 1998	Tel: +31 30 295 5911 Fax: +31 30 294 0379
Tavola, Kortrijk, Belgium (food & delicacies)	March 22-24, 1998	Tel: +32 56 21 5551 Fax: +32 56 21 7930
World of Private Label, Amsterdam, The Netherlands	May 26-27, 1998	Tel: +31 20 575 3032 Fax: +31 20 575 3093
Vegetarian Food Fair, London, UK	September 16-17,1998	Tel: +44 149 471 4800 Fax: +44 149 471 4806
Varena, Houten, The Netherlands (health food)	September 29,1998	Tel: +31 348 41 9771 Fax: +31 348 42 1801
SIAL, Paris, France (food)	October 18-22,1998	Tel: +33 1 49 68 5499 Fax: +33 1 47 31 3775
Biofach, Numberg, Germany (organic products)	February 18-21,1999	Tel: +49 917 19 6100 Fax: +49 917 14 0160
Dietexpo, Paris, France (health food)	October 16-18,1999	Tel: +33 141 90 4747 Fax: +33 141 90 4700
Anuga, Koln, Germany (food)	April 11-15,2000	Tel: +49 221 82 10 Fax: +49 821 34 10

Differences between Belgium and the Netherlands

* The Dutch population appears to be more open to trends and new food fashions.

* Products originating from France have a better track record in Belgium than in Holland.
* Specialty shops tend to be run by more professional retailers in the Netherlands.
* Belgians spend more on delicacies; the country has a strong culinary tradition
* Bi-lingual labels in Belgium
* Price level in Belgium is some what higher than in the Netherlands

Food Law

Labeling Requirements

In general labeling must not be misleading. The following information must be on the label:
* the name of the product
* list of ingredients in descending order of weight
* net quantity in metric units (suggested, not yet required)
* the date of minimum shelf life
* special storage conditions or conditions of use
* the name of the 'sender'
* instructions for use (if necessary for appropriate use)

Many manufacturers also provide nutritional values on their packaging. This is obligatory when a nutritional claim is used on the label.
There are specific, detailed regulations for all of the points made above. These regulations may differ from country to country within the EU and should be studied before finalizing packaging. All the above mentioned information must be given in the language or the languages of the region in which the product is to be sold. This means that in Belgium all packaging must be in both French and Flemish (Dutch).

Other Food law

Besides the labeling requirements, there are also regulations regarding inspection and sampling, food-additives, flavorings, pesticides and other contaminants, control and hygiene, radioactive contamination, products in contact with foodstuffs, provenance and origin and packaging and packaging waste. As mentioned before, these regulations are only partly harmonized within the EU. Most importers are well informed about these subjects.

Short List of Importers of U.S. Foods in Belgium

Bisschops Verachter Oudestraat 5	Mr. M. van Halder 9630 Aartselaar	Tel: +32 3 877 2260 Fax: +32 3 877 2367
Delby's N.V. Kontichsesteenweg 38	Mr. Ph. Lambert 9630 Aartselaar	Tel: +32 3 870 9740 Fax: +32 3 870 9741
Pietercil Resta Industrielaan 24	Mr. M. van Deun 1740 Ternat	Tel: +32 2 582 2958 Fax: +32 2 582 2963
Van Hove bvba Industriestraat 14	Mr. R. van Hove 2500 Lier	Tel: +32 3 480 6825 Fax: +32 3 480 6905
Zenobia Rue du grand Cortil 17	Mr. P. Cosse 1300 Wavre	Tel: +32 10 22 2394 Fax: +32 10 22 2394

Short List of Importers of U.S. Foods in The Netherlands

American Food Service bv Gageldijk 2	Mr. . Chin-A-Kwie 3602 AG Maarssen	Tel: +31 30 261 3604 Fax: +31 30 261 3624
Boas b.v. Postbus 340	Mr. Th. Van Ham 2700 AH Zoetermeer	Tel: +31 79 344 2600 Fax: +31 79 342 1722
Corny Bakers b.v. Gouwzeestraat 6	Mr. R. Kamerbeek 1382 KD Weesp	Tel: +31 294 41 7897 Fax: +31 294 41 1826
Felix Cohen b.v. Postbus 50	Mr. F. Bertens 4920 AB Made	Tel: +31 162 68 4120 Fax: +31 162 68 536
GranFood b.v. Postbus 19045	Mr. O. Brokke 2500 CA Den Haag	Tel: +31 70 381 5007 Fax: +31 70 385 0259
Pietercil Barends b.v Postbus 273	Mr. G.W. Rijsdijk 2700 AG Zoetermeer	Tel: +31 79 344 1100 Fax: +31 79 342 0831
Sunshine Food b.v. Vanadiumweg 15	Mr. Boerema 3812 PX Amersfoort	Tel: +31 33 465 9075 Fax: +31 33 465 1449

Short List of Belgian Importers of Health Foods

Hagor (Distriborg) Ambachtenstraat 4	Mr. G. Cosijns 3210 Lubek	Tel: +32 16 62 0711 Fax: +32 16 62 1421
Hygiena Oost Jachtpark 3	Mr. J. Muyldermans 9100 Sint Niklaas	Tel: +32 3 776 3461 Fax: +32 3 778 1413
Nonkels Reformwaren Industrielaan	Mr. P. Woitrin 9990 Maldegem	Tel: +32 50 71 3811 Fax: +32 50 71 6067

Short List of Dutch Importers of Health Foods

Madal Bal b.v. Cort vd Lindenstraat 17	Mr. W. Gerritsen 2288 EV Rijswijk	Tel: +31 70 362 4850 Fax: +31 70 413 7071
Natuproducts b.v. Postbus 376	Mr. H. Meijer 3840 AJ Harderwijk	Tel: +31 34 14 6421 Fax: +31 34 143 1589
Terrasana b.v. Waaier 10	Mr. K. Barnard 2451 VV Leimuiden	Tel: +31 17 250 3344 Fax: +31 17 250 3355
L.P. vd Boogaard b.v. Postbus 479	Mr. J. vd Boogaard 5400 AL Uden	Tel: +31 41 325 6700 Fax: +32 3 480 6905

Tariff Regulations and Requirements for US Exporters

The EU common customs tariff classification, import duty, VAT (Value Added Tax) and import certificates are an important but complex area for export into Europe. Import companies and transport companies with customs declaration facilities can assist you. To determine the customs tariff for your product, please contact:

For The Netherlands:
Amsterdam Customs Office
Attn. Mr. J.H.F. Blom
Tel: +31 20 586 7511
Fax: +31 20 682 1741

For Belgium and Luxembourg:
Customs Office Ministry of Finance
Attn. Mr. J.P. Coudur
Tel: +32 2 210 3296
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